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2000 SEP -1 P 12:52

August 29, 2000

Ms. Angel L. Williamson
Reports Analyst
Federal Elections Commission
999 E Street, NW
Washington, DC 20463

RE: **FUND FOR DEMOCRATIC LEADERSHIP**
#C00165548, Mid-Year Report (1/1/99-6/30/99), 12 Day Pre-Runoff
(7/1/99-10/27/99), Year End (10/28/99-12/31/99), March Monthly
(2/1/00-2/29/00), April Monthly (3/1/00-3/31/00) and May Monthly
(4/1/00-4/30/00) Reports

LANCE H. OLSON
BRUCE J. HAGEL
GEORGE WATERS
DIANE M. FISHBURN
ELIZABETH L. GADE
LEROY Y. FONG
N. EUGENE HILL
DEBORAH B. CAPLAN
SARAH E. GILMER
JAMES A. KEALEY

Dear Ms. Williamson:

We are in receipt of your letter dated August 16, 2000 addressed to Warren P. Kashiwagi, which concerns the above referenced political committee. Your letter questions why the Committee discloses limited payments for administrative expenses.

The only administrative expenses incurred by this Committee are the costs associated with the management of receipts and disbursements and the preparation of campaign disclosure statements. These services are performed by this law firm. The payments to the law firm are disclosed on Schedule B as payment for legal services.

Please do not hesitate to call me if you have any questions.

Sincerely,

OLSON, HAGEL, WATERS & FISHBURN, LLP

DIANE M. FISHBURN

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Warren P. Kashiwagi, Treasurer
Fund for Democratic Leadership
555 Capitol Mall, Suite 1425
Sacramento, CA 95814

AUG 16 2000

Identification Number: C00165548

Reference: Mid-Year (1/1/99-6/30/99), 12 Day Pre-Runoff (7/1/99-10/27/99), Year
End (10/28/99-12/31/99), March Monthly (2/1/00-2/29/00), April
Monthly (3/1/00-3/31/00), and May Monthly (4/1/00-4/30/00) Reports

Dear Mr. Kashiwagi:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B, supporting Line(s) 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during

each two year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If these services have been provided by volunteers, please confirm this in writing.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Angel L. Williamson

Angel L. Williamson
Reports Analyst
Reports Analysis Division

Federal Election Commission

**ENVELOPE REPLACEMENT PAGE
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

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